IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

THIRD PARTY MERCHANDISE RETURN SYSTEM

5

FIELD OF THE INVENTION

The present invention relates generally to information
10   processing systems and more particularly to a methodology
and implementation for efficiently processing the
disposition of merchandise which a buyer wishes to return to
a network merchant.

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BACKGROUND OF THE INVENTION

The use of computers and computing devices, including
personal desktop and laptop computers as well as mobile and
20   other wireless devices, to access websites on the World Wide
Web (WWW) through the Internet continues to increase. More
and more merchants are creating commercial websites which
may be easily accessed through the Internet to place orders
for items which are offered for sale at the merchant's
25   website. The purchaser is able to pay for the purchased
items by designating a credit or debit card or account
number, and the merchant or "e-merchant", charges the
designated account for the purchase. Shipments of the
selected items are then made directly to the address
30   specified by the purchaser.

After receipt of the items ordered, customers are able to
return items purchased for any of a variety of reasons. For
example, the customer or purchaser may not like the color of
a particular item or an ordered technology product may not
5   be compatible with the customer's system. In many cases,
items are returned for reasons other than the reason that
the item is faulty or defective. In those cases, an
otherwise workable and acceptable item is returned to the
selling merchant. The merchant has no option but to accept
10   the return of such items and to try to resell the item at a
greatly discounted rate. In many cases, especially where the
ordered item is large and bulky such as a computer system,
the shipping and insuring costs can become quite high. This
is especially true where the item is return-shipped from the
15   original purchaser to the selling merchant and then shipped
again from the selling merchant to a re-selling merchant who
may specialize in the re-sale of such returned items.

Thus, there is a need for an improved method and
20   implementing system which are designed to significantly
improve the efficiency and reduce the costs associated with
the shipment and return of purchased items.

25   **SUMMARY OF THE INVENTION**

A method and implementing system are provided in which
merchants are enabled to designate re-seller return
locations to customers for returned items. In an exemplary
30   embodiment, a merchant is notified that a customer wishes to
return an item purchased. The merchant then sends the
customer a return label for the returned item containing the

address of the re-seller for the merchant. The re-seller
then notifies the merchant when the item has been received
and the merchant then credits the account of the customer
for the returned item. In a second exemplary embodiment,
5   upon receipt of notice from the customer of the return, the
merchant then makes the item available for an auction
purchase to a number of re-seller merchants or individuals.
When a winning bid is known to the merchant, the return
address of the winning bidder is then sent to the customer
10 for use in returning the purchased item.

BRIEF DESCRIPTION OF THE DRAWINGS

15 A better understanding of the present invention can be
obtained when the following detailed description of a
preferred embodiment is considered in conjunction with the
following drawings, in which:

20 Figure 1 is an illustration of an exemplary network layout
which may be used in one implementation of the present
invention;

Figure 2 is a simplified flow diagram illustrating an
25 exemplary set of implementing transactions;

Figure 3 is a simplified flow diagram illustrating another
exemplary set of implementing transactions;

30 Figure 4 is a flowchart illustrating one exemplary
implementation of an operational sequence in accordance with
the present invention;

Figure 5 is a flowchart illustrating another exemplary
implementation of an operational sequence in accordance with
the present invention; and

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Figure 6 is a block diagram of a computer system which is in
an exemplary embodiment of the present invention.

10 **DETAILED DESCRIPTION**

The various methods discussed herein may be implemented
within a typical computer-related system which may include a
workstation, server or personal computer. In general, an
15 implementing computer system at a merchant's website may
include a plurality of processors in a multi-bus system in a
network of similar systems. However, since the workstation
or computer system 101 implementing the present invention in
an exemplary embodiment, is generally known in the art and
20 composed of electronic components and circuits which are
also generally known to those skilled in the art, circuit
details beyond those shown are not specified to any greater
extent than that considered necessary as illustrated, for
the understanding and appreciation of the underlying
25 concepts of the present invention and in order not to
obfuscate or distract from the teachings of the present
invention.

In Figure 1, a merchant website 101 is shown connected to a
30 buyer or customer's browser program for example, through an
interconnection network 103 such as the Internet. In the
example, a customer is running a browser program on the

customer's computer system which may be a personal computer or even a wireless device. In the present disclosure, it is understood that all of the various sites illustrated include communications programming to provide the ability to send emails or instant messages to each other. In the illustrated example, the merchant website 101 and the buyer or customer 107 are also connected to an auction site 105 and to one or more ("n") reseller merchant websites 109. In one example, the merchant 101 has a pre-existing arrangement with particular websites such as reseller 109, such that all of a designated item may be returned from the merchant 101 to the reseller merchant 109 for resale, and the auction site 105 is not used. In another example, when a customer indicates that the customer 107 wishes to return an item, the merchant 101 will auction the item to be returned at the auction website 105 prior to notifying the customer 107 where to send the item that is to be returned.

In Figure 2, a transaction flow in accordance with one embodiment of the present invention is illustrated. As shown, a return transaction is accomplished without an auction, i.e. the reseller is known to the merchant and by a prior arrangement, the reseller has agreed to take designated items, either by consignment or sale. In such a case, the merchant 101 maintains a database 201 at the merchant's website, and the database keeps track of which resellers are to receive which returned articles as well as tracking when the return to the reseller has been completed. In the Figure 2 example, a customer will place an order 200 for an item to be purchased. This may be accomplished, for example, by the customer filling out a merchant's order form while being connected online to the merchant's website.

Next, after the appropriate order information has been received by the merchant 101, the merchant ships 202 the ordered item to the customer and charges the customer account. Next, in the present example, the customer wishes

5   to return the item for some reason, and sends a request to return the item 204 to the merchant 101, for example by email or instant message. The merchant server then obtains the reseller identity for the designated item from the merchant database 201 and sends a return label 206 to the

10   customer 107 with the name and return address of the reseller merchant 205. In this example, Merchant B 205 is designated as the reseller for the identified item. The customer then uses the return label to send the return item 208 directly to the designated reseller 205. The designated

15   reseller 205 then sends notice to the original merchant 101 that the return has been received 210. At that time, the database 201 is updated and the merchant 101 credits the customer's account and sends notice of the credit 212 to the customer 107.

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In Figure 3, another example of the third party return system is illustrated. As shown, the Figure 3 example includes an auction site 301, and a plurality of reseller merchants including a first reseller 203 and a second

25   reseller 205, and individual bidders. After an order is placed 300, an item is shipped 302 and a return request 304 is sent to the selling merchant 101. At that time, the selling merchant 101 puts the item identified for return up for auction at auction site 301 where several merchant and

30   individual bidders are able to bid for the item. For purposes of explanation, it is assumed that in the illustrated example, Merchant B 205 wins the auction for the

identified item. The auction site 301 or the reseller 205
will then notify the original merchant 101 and merchant 101
sends the return label 312 to the customer 107. The customer
then returns the item to the designated reseller 205 and
5 reseller 205 will then notify 316 the original merchant 101
of receipt of the returned item. The customers account is
then credited and notice of the credit is then sent 318 from
the merchant 101 to the customer.

10 In the above examples, all of the required notices and other
communications may be sent electronically by email or
instant messaging for maximum efficiency and speed. Further,
it is apparent that by direct shipping of return items from
customers to resellers, at least two intermediate shipments,
15 and the costs associated with such shipments, are obviated
without unnecessarily delaying the return process.

Figure 4 illustrates the non-auction implementation in
flowchart form. From the illustrated flowcharts, code may be
20 written in any of many languages and installed on the
merchant website server 101, and executed from server memory
to accomplish the illustrated operational sequence of
events. As shown in Figure 4, after the process begins 401,
checks are continually made at the merchant server website
25 101 to determine if any of three different events 403, 409
or 415, have occurred. As shown, if a buyer order has been
received 403, the order is processed 405 and the ordered
item is shipped to the buyer or customer 407. The processing
of the order may include, for example the recording of the
30 customer's name and address and the address to which the
ordered item is to be shipped. Further, the initial
processing 405 may also include recording the charge

information and processing a charge for the item ordered and also printing the address label of the customer's shipping address.

5   When it is determined that a buyer or customer return request has been received 409, the merchant server will get the reseller merchant information from the reseller database 201 and send the return information, including a return label, to the buyer or customer 413.

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The next step in the merchant server process occurs when the it is detected that the reseller merchant 205 has sent notice that the returned item has been received 415. At that time, the merchant's database is updated 417, the customer's

15   account is credited and notice of the credit is sent to the customer 419.

The auction version of the third party return methodology is illustrated in flowchart form in Figure 5. As shown, after

20   the process has begun 501, when a buyer order is received 503, the order is processed 505 and the item is shipped to the buyer 507. When a return request is received 509, the merchant will do an auction 510 at an auction site and the winner of the auction will be provided to the merchant 511.

25   The return information, including the shipping label for the winning bidder, is then sent to the customer or buyer 512. Next, the winning bidder receives the returned item directly from the buyer, and the winning bidder sends notice of such receipt to the merchant 101. When receipt of the reseller

30   notice is detected 515, the merchant server will update the database, credit the buyer's account 517 and send notice of the credit to the buyer 519.

In Figure 6, there is shown several of the major electronic subsystems which are included in an exemplary embodiment of the merchant's server. As shown, a processor 601 is coupled

5   to a system bus 603 which may be any host system bus. It is noted that the processing methodology disclosed herein will apply to many different bus and/or network configurations although only one example is illustrated. A memory subsystem 605, a storage device 607 and selected medium devices 609

10   such as a diskette drive or a CD drive, are also shown connected to the system bus 603. The information processing circuitry illustrated in Figure 6 is arranged to establish a communication link and initiate communication with other processing systems and websites. The system, for example,

15   may be connected through a network interface connection 613 to any appropriate network including the Internet, or to a gateway computer for connection to the Internet and selected websites which contain useful information for access. The exemplary system also includes an input interface 611 to

20   enable administrator input to the server system, and also a video system for display of various aspects of the designated transactions at the server site.

The method and apparatus of the present invention has been

25   described in connection with a preferred embodiment as disclosed herein. The disclosed methodology may be implemented in a wide range of sequences, menus and screen designs to accomplish the desired results as herein illustrated. Although an embodiment of the present invention

30   has been shown and described in detail herein, along with certain variants thereof, many other varied embodiments that incorporate the teachings of the invention may be easily

constructed by those skilled in the art, and even included
or integrated into a processor or CPU or other larger system
integrated circuit or chip. The disclosed methodology may
also be implemented solely or partly in program code and

5   executed to achieve the beneficial results as described
herein. Accordingly, the present invention is not intended
to be limited to the specific form set forth herein, but on
the contrary, it is intended to cover such alternatives,
modifications, and equivalents, as can be reasonably

10   included within the spirit and scope of the invention.